Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

MAGID 17

20 August 1975

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT : Comments on Draft Memorandum, "Long-term Trends and the Production of Intelligence"

MAGID has reviewed with interest the draft of the memorandum to be presented at the Management Conference in September. MAGID would like to offer a few remarks and suggestions as a possible contribution to the discussion at the Conference.

MAGID suggests that if further restrictions on individual country coverage are imposed by budgetary constraints, some consideration be given to the establishment of a stand-by capability in CRS. In the case of some marginal Third World countries, this is already the trend within the Directorate.

MAGID members share the general uneasiness over the trends in the Intelligence Community discussed on pp. 12-13 of the draft. MAGID believes that the interests of working analysts within the Directorate, and ultimately of the intelligence product, would be served by the retention of centralized control of imagery collection requirements [redacted] STAT

STAT [redacted] The trend toward turning imagery collection to the service of tactical needs is particularly detrimental to economic intelligence.

MAGID proposes that the feasibility and usefulness of a central repository for biographic information be discussed at the Management Conference. [redacted] STAT

STAT [redacted]

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

The members of MAGID would like to express their appreciation for this opportunity to read and comment on the draft memorandum. It affords a perspective on the future development of the Agency and the Directorate which will help to form and sharpen MAGID's own future contributions.

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

CONFIDENTIAL
Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

21 August 1975

MEMORANDUM FOR:

SUBJECT : Long-term Trends and the Production of Intelligence

1. We have devoted two Executive Council sessions (13 and 20 June 1975) to the DCI Objective which requires us to advise annually the Director on trends and developments that will impact on production during the next few years.

2. The attached paper summarizes the major points made by Office Directors and Staff Chiefs on this Objective at those sessions. Also included are a number of questions which will, we hope, give focus to the discussion of each objective at the Management Conference to be held [redacted] 12-13 September 1975. As you know, our discussions so far have focused on consumer demands, product mix, analytical methods, automation, resource availability and the intelligence community. I would like you to be prepared at the Conference also to discuss an additional topic--long term trends in world affairs which seem likely to affect the work of this Directorate.

25X1

3. You are invited to suggest additional questions and topics which we should address at this meeting.

[redacted] 25X1

EDWARD W. PROCTOR
Deputy Director for Intelligence

Attachment:
As stated

[redacted] 25X1

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0
CONFIDENTIAL

CONFIDENTIAL
Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

21 August 1975

DCI Objective for the Intelligence Directorate

Discussion Paper

Objective

To provide to the Director each year advice and guidance on longer term trends and developments that may affect intelligence production and for which special management attention will be required.

Discussion

A. Consumers and Product

1. We expect rapidly increasing demands for DDI products, with more information requests from more Congressional committees leading the way. Increasing Congressional demands, will inevitably put CIA in the middle of policy debates between the Executive and Legislative branches of the government and may raise the constitutional issue of CIA's relationship to these two branches of government. Finally, there is the concern that objective reporting to Congress will cut the Agency off completely from extremely important feedback from the Executive Branch on U.S. policy considerations and some sensitive information on foreign views and plans. In any event, the serving of two masters will complicate the DDI's future. We may have to change the way we do some things to accommodate this Congressional interest as well as the increased demands for unclassified publications from other government agencies, the academics, the public at large (e.g., FOIA), and Congress.

2. Demands on the Intelligence Directorate for non-military analysis and reporting appear to be rising relative to traditional military-strategic and political intelligence subjects. OER, for example, finds that the demands of other government agencies--Treasury, the Council of Economic Advisors, Agriculture, etc.--will loom large in its future.

3. With a widening and more demanding market developing in an era of resource stringency, the production offices will have to find a mix of large and small, research and current, production vehicles to satisfy the various parts of the market. There is

25X1

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0
CONFIDENTIAL

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

uncertainty as to the impact on current intelligence and production formats of the near-real-time imagery system. Audio-visual presentations, while popular, are costly and further reliance on this basically simplistic vehicle may tend to increase superficiality in the intelligence product. A National Institute of Applied Research and Analysis has been suggested as one means of serving part of the varied market structure facing the DDI, or we could impose a vigorous separation of the research components from current intelligence producers. Finally, there is concern that world-wide country coverage--one of CIA's comparative advantages over other government agencies--may deteriorate as resources get tighter or that we will be forced by resource constraints to make equally difficult decisions in cutting back the scope of our functional coverage.

4. The growing market for Intelligence Directorate products and the shrinking resources available to the Directorate may mean that the production offices will have to find a new mix of publications to satisfy their customers. It was noted that more offices are resorting to periodicals as their primary reporting vehicle. There was some feeling that the Directorate's broader and more varied clientele may require a return to more single subject memoranda published on an aperiodic basis.

5. If history is any guide, personalities--the next president, future cabinet members, the next DCI and congressional members--will affect the product format, if not the kinds of things we report on. History has shown these developments to be the most significant in determining production trends.

6. The following are several questions for further discussion:

a. Is our present mix of production formats satisfying our consumers? Are the new serial publications adequate to replace at least some of the former ad hoc requests?

b. Can we be specific about possible changes in the way we do things to accommodate the serving of both Congressional and Executive consumers? Will congressional consumers get exactly the same documents, substantive coverage, etc. as Executive consumers? Will we simply respond to congressional requests for substantive intelligence or take the initiative to supply this? What mixture is appropriate?

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

CONFIDENTIAL
Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

c. What production vehicles will Congress want as opposed to the Executive? A daily report, summary or highlights? The NID? Will Congressional interest be focused more on political, economic or military matters or will it be interdisciplinary?

d. Will the addition of the public as a potential consumer of many of the products we originate for other consumers tend to change the form and content of our product?

e. Will our primary policy consumers request more briefings--and fewer formal reports?

f. If individual country coverage suffers because of growing demands, then what is to be the minimum level of effort on "marginal" countries? Do we have to maintain a stand-by expertise on all countries? If so, how and where?

g. Are non-military, non-strategic demands rising relative to the traditional military-strategic demands? If so, to what degree will we have to adjust products and resources in the future?

h. Are there areas of functional coverage which we should now cut out or study for future elimination if the resource bind continues? Are there functional areas for which we can devise a reasonable and reliable system of burden-sharing with other producers?

B. Methodologies and Automation

1. Most Office Directors expect their organizations to become increasingly involved with new analytical techniques as well as automated information-handling systems for the foreseeable future. The implications of this growing involvement are substantial for the Directorate in terms of personnel hiring and training and in its funding requirements. As the production offices become increasingly engaged in the use of more sophisticated analytical techniques they will have to become more selective in recruiting and more demanding about retraining personnel already on board. As components of the Intelligence Directorate become more dependent upon automated data handling systems they will have to devote positions, space and a

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0
CONFIDENTIAL

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

greater share of their budgets to the faster and broader control over information resources which these machines can provide. There was broad agreement that automation usually results in an improved product but seldom brings dollar or personnel savings.

2. Our offices differ in their degree of involvement and organizational approach to new analytical methodologies. Some have so incorporated these techniques into the daily work of their offices that they have little cause to regard them as new. Others are dubious about the applicability of what are essentially academic tools to intelligence tasks. Some offices make no special organizational arrangements to accommodate the adoption of new techniques; their analysts simply see a method that appears applicable to the work at hand and begin to employ it. Other offices have established special staffs or branches which concentrate on studying new methodologies, selecting those that seem most promising and training line analysts in their use.

3. Automated information-handling systems dominate the concerns of the Directorate's service organizations, e.g. CRS, FBIS and IAS more than the production offices. CRS views automation as its only way of even hoping to "stay even" with increasing demands for its services in an era of shrinking resources. FBIS has committed itself to computer-assisted production of its Daily Report and anticipates further automation of its activities in future. IAS already makes extensive use of data handling equipment and cites computer modeling and digital manipulation of imagery as new techniques soon to be adopted. The automation development of greatest concern to all offices is Project SAFE. Commitment to the new system is general, though some Office Chiefs expressed concern about its impact on Directorate budgets and personnel, and its applicability to the work of individual offices.

4. The following are several questions for further discussion:

a. Is the significant commitment most offices are making to the adopiton of new analytical methods paying off in terms of noticeably improved products? Where do we go from here?

b. Should there be a mechanism of some sort to coordinate and guide the new methodology programs throughout the Directorate?

c. To what extent should the Directorate call on outside expertise to attack difficult intelligence problems

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

with new analytical methods, to train DDI analysts in their use and to provide guidance on the acquisition and application of data-handling systems?

d. What is your current assessment of the benefits that will derive to your component from a successful Project SAFE?

C. Trends in Resources

1. It is quite apparent that the Agency is on the downhill side of the resource curve. Even before the current investigations there was definite movement in the Agency toward reductions in both funds and positions. Clearly, if there is to be a meaningful increase in the resources dedicated to production in the Intelligence Directorate, they will have to come from other Directorates.

2. It is difficult to predict what impact the Congressional investigations will have on intelligence production resources. There is some suggestion that additional resources might be recommended for intelligence production. At the same time, however, House Appropriations Committee staff aides have already given indication that the Committee would like to see the intelligence budget reduced. Such proposed reductions extend to the Intelligence Directorate, with the suggestion that certain activities be transferred from CIA to other U.S. Government departments--admittedly at no savings to the U.S. Government, but resulting in the perceived benefit of a reduction in the intelligence budget.

3. Despite the fuzziness of the trend line, however, both prudence and probability seem to point to resource constraints rather than a resource cornucopia. If this be true, some offices will have to become much more more selective in what they do, establishing priorities with the foreknowledge that lower priority needs may never be met. Other offices will increasingly have to say "No" to requests for services. Still others will have to consider the possibility of not covering certain countries or functions at all--an option that might be found unacceptable even though CIA is perhaps the only agency that currently seeks to cover every country of the world.

4. Resource constraints will also have a debilitating effect on Directorate collection activities such as FBIS, with a resulting impact on intelligence production that depends on such collection. While relatively inexpensive compared to other worldwide collection programs, FBIS has by far the largest budget in the

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

Directorate and outsiders will consequently see it as an attractive target for resource reductions. Realistically, we must expect FBIS costs to continue to rise, and consequently any resource reductions would result in cutbacks in collection that is now considered necessary, if not essential, to intelligence production.

5. Broader in concept and in possible impact on our resource considerations are the perceived trends toward more thorough audits, by internal and external groups (such as GAO), of everything we do. Such audits could be very time-consuming. Congress is also looking at our ability to reprogram funds within the Agency. Other agencies have more limited authority to reprogram than this Agency.

6. From the above, it is clear that the trend in resource philosophy dictates the need for much closer management of resources and much better forecasting of resource needs than has existed in the past. We can safely predict that both OMB and Congress will take a much closer look at our resource requests and require much better justification of our needs than heretofore.

7. In addition to funds and positions, there is another resource problem that may have a more immediate impact on the intelligence production offices--office space. The pattern in recent years has been that those offices suffering personnel reductions were the ones located outside the Headquarters complex, while those enjoying personnel increases were the ones located in the Headquarters building. As a result, production offices in Headquarters building are overcrowded. In the present political climate, construction of another building in the Headquarters compound is not in the cards. On the other hand, the sense of proprietorship existing among the various Deputy Directors works against the probability of other Directorates making much of their space available to the Intelligence Directorate. The only sure area of autonomy lies in the DDI's authority to reallocate that space which is already assigned to his Directorate. We have active requests with the DDA for additional space. Should the relief prove to be inadequate, and faced with the constant frustrations of finding adequate space in Headquarters Building, the pressure is great to consider moving additional parts of the Directorate to other buildings.

8. Such a move would entail the obvious disadvantages of remoteness from the bulk of the Directorate and from ready access to the Director. It also would be met with some employee resistance. In the long run, the final decision may well rest on which is perceived as the greater advantage: (a) sufficient space to provide decent working conditions and allow the analyst the amount of privacy that

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

CONFIDENTIAL
Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

is necessary in his work, or (b) collocation with other components in crowded and undesirable offices.

9. The following are several questions for further discussion:

Funds and Positions

a. Aside from the NIS, what examples since 1970 can we cite of activities that have been (a) discontinued altogether, or (b) critically reduced entirely because of resource constraints?

b. What specific proposed new activities have been either postponed or cancelled because of a shortage of resources?

c. What lower priority activities would be prime candidates for reduction or elimination if future adjustments in resource levels are required?

d. Are there examples we can cite of instances where we have had to say "no", strictly because of lack of resources, to requests for services or products which we believed would have been important to our primary consumers?

e. Are there major resource requirements downstream which have not yet been surfaced with Agency management which we should do so at this time?

Space

f. What are our options for dealing with the Headquarters space problem?

g. Should the Directorate pursue the option of moving another component out of the Building if adequate space cannot be made available in the Building?

h. Are there any volunteers? --Nominees? Discuss pros and cons.

25X1

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0
CONFIDENTIAL

25X1

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0

Next 2 Page(s) In Document Exempt

Approved For Release 2005/11/23 : CIA-RDP80B01495R000900040002-0